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HOUSE BILL 292

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Joseph Cervantes

AN ACT

RELATING TO PUBLIC UTILITIES; ALLOWING CERTAIN PUBLIC UTILITIES
TO MAKE RATE ADJUSTMENTS WITHOUT A HEARING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 62-8-7.1 NMSA 1978 (being Laws 1985,
Chapter 221, Section 3, as amended) is amended to read:

"62-8-7.1. HEARING PROCEDURES FOR CHANGE OF RATES OF
SMALL WATER AND SEWER UTILITIES. --

A. Whenever there is filed with the commission
[any] a schedule proposing [any] new [rate or] rates pursuant
to Section 62-8-7 NMSA 1978 by [any] a public utility as
defined in Paragraph (3) or (5) of Subsection G of Section
62-3-3 NMSA 1978 [~~whose annual operating revenues averaged less
than five hundred thousand dollars (\$500,000) over any
consecutive three year period]~~ with equal to or fewer than an

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1 aggregate of one thousand five hundred service connections in
2 New Mexico averaged over the previous three consecutive years,
3 the ~~[rate or]~~ rates shall become effective as proposed by the
4 utility without a hearing; provided that the utility shall be
5 required to give written notice of the proposed rates to the
6 ratepayers receiving service from the utility at least sixty
7 days prior to filing the proposed rate change with the
8 commission and provided further that the commission shall enter
9 upon a hearing concerning the reasonableness of any proposed
10 rates filed by such a utility pursuant to Subsections C and D
11 of Section 62-8-7 NMSA 1978 when ~~[any]~~ a rate increase would
12 have the effect of increasing the ~~[rate or]~~ rates fifty percent
13 or more in ~~[any]~~ a twelve-month period or upon the filing with
14 the commission of a protest seeking review of the proposed
15 ~~[rate or]~~ rates signed by ten percent or more of the ratepayers
16 or twenty-five ratepayers, whichever is more, receiving service
17 from such a utility, if the commission determines there is just
18 cause for reviewing the proposed rate or rates. For purposes
19 of this section, a "service connection" means a metered hookup
20 to the utility's water system or a sewer tap to the utility's
21 wastewater system, and each person who receives a separate bill
22 equals one ratepayer and each person who receives multiple
23 bills equals one ratepayer. The petition shall be signed by
24 the person in whose name service is carried. The petition
25 shall be filed no later than twenty days after the filing with

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1 the commission of the schedule proposing the new rates. In all
2 other respects, Section 62-8-7 NMSA 1978 shall apply to such
3 water utilities. If a utility provides both water and sewer
4 service, the ~~[annual operating revenues]~~ service connections
5 attributable to the provision of water service only shall
6 determine whether the procedures specified in this section
7 shall apply to ~~[any]~~ a schedule proposing ~~[any]~~ new ~~[rate or]~~
8 rates for water service, and the ~~[annual operating revenues]~~
9 service connections attributable to the provision of sewer
10 service shall determine whether the procedures specified in
11 this section shall apply to ~~[any]~~ a schedule proposing ~~[any]~~
12 new ~~[rate or]~~ rates for sewer service. Nothing in this section
13 shall prevent a utility from filing for a rate change pursuant
14 to any other rule or procedure of the commission.

15 B. Whenever there is filed with the commission a
16 schedule proposing new rates pursuant to Section 62-8-7 NMSA
17 1978 by a public utility as defined in Paragraph (3) or (5) of
18 Subsection G of Section 62-3-3 NMSA 1978, with more than an
19 aggregate of one thousand five hundred service connections and
20 fewer than an aggregate of five thousand service connections in
21 New Mexico averaged over the previous three consecutive years,
22 the rates shall become effective as proposed by the utility
23 without a hearing; provided that the utility shall be required
24 to give written notice of the proposed rates to the ratepayers
25 receiving service from the utility at least sixty days prior to

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1 filing the proposed rate change with the commission; and
2 provided further that the commission shall enter upon a hearing
3 concerning the reasonableness of proposed rates filed by such a
4 utility pursuant to Subsections C and D of Section 62-8-7 NMSA
5 1978 when a rate increase would have the effect of increasing
6 rates more than eight percent in the previous twelve-month
7 period, or upon the commission staff's motion or upon the
8 filing with the commission of a protest seeking review of the
9 proposed rates signed by ten percent or more of the ratepayers
10 receiving service from the utility, if the commission
11 determines there is just cause for reviewing the proposed
12 rates. The petition shall be signed by the person in whose
13 name service is carried. The petition shall be filed no later
14 than twenty days after the filing with the commission of the
15 schedule proposing the new rates. In all other respects,
16 Section 62-8-7 NMSA 1978 shall apply to such water utilities.
17 If a utility provides both water and sewer service, the service
18 connections attributable to the provision of water service only
19 shall determine whether the procedure specified in this section
20 shall apply to a schedule proposing new rates for water
21 service, and the service connections attributable to the
22 provision of sewer service shall determine whether the
23 procedures specified in this section shall apply to a schedule
24 proposing new rates for sewer service. Nothing in this section
25 shall prevent a utility from filing for a rate change pursuant

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1 to any other rule or procedure of the commission.

2 C. Notwithstanding the provisions of Subsections A
3 and B of this section, a public utility as defined in Paragraph
4 (3) or (5) of Subsection G of Section 62-3-3 NMSA 1978, with
5 fewer than an aggregate of five thousand service connections in
6 New Mexico averaged over the previous three consecutive years,
7 which is currently in good standing with all applicable
8 requirements of the commission, may adjust its charges for
9 commodity and service by up to two percent without a hearing;
10 provided that the utility shall be required to give written
11 notice of the proposed rate adjustments to the ratepayers
12 receiving service from the utility prior to its effective date.
13 Such increased rates shall not become effective until at least
14 thirty days after notice and filing with the commission. For
15 purposes of this section, a service connection is a metered
16 hookup to the utility's water system or a sewer tap to the
17 utility's wastewater system. If a utility provides both water
18 and sewer service, the service connections attributable to the
19 provision of water service only shall determine whether the
20 procedure specified in this section shall apply to any schedule
21 proposing any new rate or rates for water service, and the
22 service connections attributable to the provision of sewer
23 service shall determine whether the procedures specified in the
24 section shall apply to any schedule proposing any new rate or
25 rates for sewer service. Nothing in the section shall prevent

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1 a utility from filing for a rate change pursuant to any other
2 rule or procedure of the commission."

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